



MANAGING CONFLICTS

ETHICAL WALLS IN LAW FIRMS

CONFLICTS OF INTEREST

With the rise of law firms recruiting senior lawyers for their 'book of business', firms continue to grow, thus conflicts of interest between professionals of a firm will always increase.

Most firms spend valuable time and resources *identifying* potential conflicts. Once the conflicts are identified, they are compiled and sorted into "The List". From there, depending on how well "The List" is managed will depend on the firm's exposure to lawsuits and noncompliance with government regulations.

Can these firms assure their current and prospective clients that their firm has the appropriate procedures in place to protect their confidential information against internal conflicts?

"THE LIST"

With the length of a firm's conflicts list growing at an ever-increasing rate, one might ask; how exactly did the list get so long? Consider the following example:

Due to an existing conflict, a new lateral hire must be restricted from viewing any information pertaining to the firm's current client "A". In addition, this lawyer has clients "B, C, D & E" with information the current lawyers in the firm should not have access to. These conflicts must be recorded and security put in place on WorkSite to ensure that the restrictions to documents are effectively managed.

Now multiply that scenario by 10 new lawyers per year. Assuming there are only five conflicts per lawyer, within five years, there will be a minimum of 250 conflicts on the list. Now the firm's conflicts list is at least 10 pages long and still growing.

HOW ARE THEY MANAGING IT?

Most firms currently maintain a conflicts list from which their Records Manager/Document Management Administrator manually creates security in WorkSite. It is the firm's expectation that for each new matter opened, the Administrator is checking it against this 10 page list to ensure proper security is applied. Unfortunately this manual method is cumbersome and often ineffective.

Also, each document, in a document management system, bears its own security. Authors and operators have the ability to change the security on their own documents and may unknowingly grant access to individuals who shouldn't have access. Other times, inappropriate access is deliberately granted despite their knowledge of the ethical wall because the Assistant is busy and a member of the float staff is available to help.

Therefore, even though the conflict has been identified and ethical wall security has been applied, firms don't have an effective way of enforcing the ethical wall that has been originally set for the matter. As a result, the Administrator, lawyer, or their assistant must constantly verify access or re-file documents to ensure compliance. Consequently, it is risky business for firms to leave conflict management up to the document owner or operator, some of whom may not even be aware of the conflicts or other security concerns related to the matter because they don't have time to check "The List".

You may now ask yourself, can you, with 100% confidence, assure the Managing Partner, Executive Committee, and current or prospective clients that your firm is managing ethical walls to protect their confidential information against internal conflicts as rigorously and proactively as possible?

You could if your firm is using MasterEthics.



THE ETHICAL WALL SOLUTION

The challenge of determining where conflicts exist will not go away. Firms will need to continue to diligently identify potential conflicts and privacy concerns of their clients.

However, it is possible to easily create and maintain ethical walls by client or matter using MasterEthics.

Once the conflict is identified, the security is set by the Client or Matter ID directly in the MasterEthics system which in turn instantly updates all security settings in WorkSite. If the security is set at the Client level, any new matters opened will instantly receive the appropriate security. Any new or existing documents created for that client or matter, will now be secured in WorkSite.

In addition, if a user attempts to apply or change security to a new or existing document that doesn't comply with the ethical wall, the modification will be immediately discarded, and the user will be instantly notified of the conflict and advised that their settings have been overridden.

The system will log details of each occurrence for future reporting by the administrator as well various reports are available in order to review the access or restrictive lists.

To read more about MasterEthics, read our product page or download our brochure.